

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6174**

**BILL NUMBER: SB 172**

**NOTE PREPARED: Jan 19, 2010**

**BILL AMENDED:**

**SUBJECT:** Return of 1977 Fund Member Contributions.

**FIRST AUTHOR:** Sen. Becker

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill allows a member of the 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund) to designate one or more beneficiaries to receive the 1977 Fund member's contributions plus interest if the 1977 Fund member dies without receiving retirement or disability benefits and without a spouse, child, or parent entitled to receive survivor benefits.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) According to PERF, administrator of the 1977 Police Officers' and Firefighters' Pension and Disability Fund, this type of situation rarely occurs. The actuary for the 1977 Fund has estimated an increase in annual costs of \$55,000 and an increase in unfunded accrued liabilities of \$423,000. There is no increase in annual cost as a percent of pay and no decrease in funded status. The fiscal impact assumes that 3% of the deaths that occur while a member is active and eligible for retirement will occur when the member dies without a spouse, child, or parent entitled to receive survivor benefits.

**Explanation of Local Revenues:**

**State Agencies Affected:** PERF as administrators of the 1977 Fund.

**Local Agencies Affected:**

**Information Sources:** Kathryn Cimer, Chief Legal Counsel of PERF, 317-234-6222 and Floyd Teamer, Manager of non-PERF funds, 317-234-5307; Doug Todd of McCready & Keene, Inc., actuaries for PERF, 317-576-1508.

**Fiscal Analyst:** James Sperlik, 317-232-9866.